

DEPARTMENT OF ECONOMIC DEVELOPMENT

FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	FY 2003 REQUEST	GOVERNOR RECOMMENDS FY 2003
Business Development	\$ 11,028,170	\$ 13,548,115	\$ 12,382,290	\$ 10,611,382
Business Expansion and Attraction	28,466,415	35,102,095	34,948,788	29,428,805
Community Development	51,461,135	56,169,603	55,417,850	48,811,458
Workforce Development	63,794,422	100,838,097	101,383,607	100,738,413
Division of Tourism	15,821,627	17,565,282	17,832,811	12,300,197
Affordable Housing	4,823,124	4,025,806	4,055,823	4,025,806
Financial Institution Safety and Soundness	5,471,505	6,018,182	6,133,237	5,970,099
Motor Carrier and Railroad Safety	2,943,103	4,416,933	4,912,325	4,258,647
Utility Regulation	16,343,738	19,149,679	19,455,902	19,098,979
Professional Registration	11,363,490	13,448,194	14,498,653	14,278,736
Administrative Services	8,096,710	11,967,760	12,246,077	11,280,525
DEPARTMENTAL TOTAL	\$ 219,613,439	\$ 282,249,746 *	\$ 283,267,363	\$ 260,803,047
General Revenue Fund	63,834,967	63,581,724	62,639,635	41,338,957
Federal Funds	103,517,728	142,648,833	143,279,107	142,574,975
Other Funds	52,260,744	76,019,189	77,348,621	76,889,115
Full-time equivalent employees	1,369.24	1,648.04	1,654.04	1,612.04

* Does not include \$2,200,000 recommended in the Fiscal Year 2002 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding Department of Economic Development supplemental appropriations.

POLICY SUMMARY

Governor Holden's Fiscal Year 2003 budget for the Department of Economic Development continues efforts to help ensure Missouri's economic success. The department works to enhance Missouri's business climate, strengthen Missouri's workforce, and improve Missouri's communities.

A weakened economy and considerable growth in mandatory programs like Medicaid has resulted in the most significant budget challenge the state has faced since the early 1990s. The Fiscal Year 2003 budget includes the deepest core reductions ever recommended by a Missouri governor. These core reductions are necessary to ensure a balanced budget while continuing to provide essential state services. There are relatively few general revenue fund increases recommended in the Fiscal Year 2003 budget, and those that are recommended focus on mandatory programs. Governor Holden's number one priority is to fully fund the foundation formula distributions to public schools.

Enhancing Missouri's Business Climate

Missouri experienced challenges in 2001 as the longest economic expansion in U.S. history came to an end. Despite rising unemployment rates and the loss of jobs all around the state, Missouri maintained a high national ranking on the cost of living index and personal income in the state continued to grow at a rate of .73 percent, second among neighboring states. Further, in 2001 more than 100 businesses assisted by the Department of Economic Development announced plans to move or expand into Missouri resulting in new jobs for Missourians.

The department administers 31 tax credit programs. Seven of these programs focus on business recruitment. In Fiscal Year 2001, \$38 million worth of these business recruitment tax incentives resulted in 10,246 new jobs and \$849 million in new investment. Eight of these programs focus on entrepreneurs and small businesses. Investments of \$27 million in these incentives in Fiscal Year 2001 resulted in \$353 million in new private investment. In Fiscal Year 2003, Governor Holden will maintain the use of these incentives resulting in a projected \$88 million to be used by new, expanding, and developing businesses in Missouri.

DEPARTMENT OF ECONOMIC DEVELOPMENT

POLICY SUMMARY (Continued)

Some performance measures the Department of Economic Development uses to evaluate Missouri's economic prosperity follow:

	1999	2000	2001
Total number of Missourians employed	2,745,464	2,828,380	2,852,100
Sales of Missouri businesses through DED programs (billions)	\$.847	\$1.515	\$1.885
Cost savings of Missouri firms through DED programs (millions)	\$11.8	\$19.99	\$25.46
Direct tourist expenditures in Missouri (billions)	\$5.6	\$5.7	N/A

Strengthening Missouri's Workforce

Strengthening Missouri's workforce requires the state to provide for a well-trained worker. The Department of Economic Development strives to ensure Missourians have the opportunity to reach their economic potential through the Missouri WORKS! program, Missouri Career Centers and tax incentives, which allow employers to increase the skills of their workers. Missouri WORKS! and Missouri Career Centers focus on employment, labor market information, and training. The services are available to both employees and employers. Missouri's three job training tax incentive programs allow employers to increase the skills of their workers. In Fiscal Year 2001, Missouri employers redeemed \$12 million tax credits resulting in 1,846 new jobs. To further ensure Missouri workers meet their economic potential and Missouri employers have the best possible workforce, Governor Holden is maintaining the use of these tax incentive programs resulting in a projected \$14 million available in Fiscal Year 2003.

Some performance measures the Department of Economic Development uses to evaluate Missouri's labor force follow:

	1999	2000	2001
Number of Missourians using DED services to bring them above the poverty level	N/A	17,830	21,730
Number of people who use DED services and obtain employment	N/A	90,158	94,814
Number of people who use DED services to obtain a higher wage job	N/A	62,229	79,347

Improving Missouri Communities

Missouri communities, both rural and urban, need assistance for redevelopment, housing, and to ensure success of community programs. The Department of Economic Development administers 13 tax credit programs that provide communities assistance in improving their economic performance, enhancing quality of life, and sustaining economic growth. In Fiscal Year 2001, Missourians redeemed \$86 million tax credits for redevelopment projects, community development projects, and housing. In return for that investment, Missouri communities enjoyed increased private investment in redevelopment of \$366 million and an additional \$226 million in affordable housing. Additionally, the use of the credits created 1,417 jobs and assisted 3,325 housing units. To further encourage community development, Governor Holden is maintaining the use of these tax incentive programs resulting in \$173 million in tax savings for Missourians who are dedicated to making communities better.

DEPARTMENT OF ECONOMIC DEVELOPMENT

BUSINESS DEVELOPMENT

The Department of Economic Development continues to provide timely and useful services to Missouri businesses through the Business Development Group which offers the following programs:

Office of Business Information - The Missouri Business Assistance Center, Missouri Product Finder, and the Arts and Crafts programs are operated by this office. Businesses are provided information on how to start a business in Missouri, current state business regulations, and correct state business development referrals.

Office of Business Finance - Increasing private investment in Missouri small businesses, incubators, and research activities, as well as leveraging investments, are the goals of several special programs in the Office of Business Finance. State tax credits and special loan programs such as Small Business Incubator Tax Credits, Research Expense Tax Credits, Small Business Investment Capital Tax Credits, Certified Capital Companies, Seed Capital Tax Credits, and the Urban Enterprise Loan Program are offered to eligible businesses.

Office of Productivity - Missouri businesses wishing to compete in a global economy often need assistance increasing their efficiency, productivity, profitability, and wealth. The Office of Productivity provides valuable resources to these businesses through Innovation Centers and the Missouri Enterprise Program.

Office of International Marketing - This office focuses on the development of international export sales of Missouri products and services. Businesses may contact offices located in Jefferson City; St. Louis; Kansas City; Dusseldorf, Germany; Tokyo, Japan; Seoul, Korea; Guadalajara, Mexico; Singapore; Brazil; and Chile for assistance with international and domestic sales growth.

Office of Minority Business - Minority- and women-owned businesses are an important asset to Missouri business development. This office seeks to increase the number of successful minority- and women-owned businesses by providing various types of direct and personal assistance. These businesses may learn how to access Missouri and federal programs designed to help operate or start successful businesses, as well as how to identify and capture economic opportunities. In addition to acting as an advocate for minority- and women-owned firms, the Office of Minority Business encourages government agencies and large corporations to purchase products, supplies, and services from these firms.

Fiscal Year 2003 Governor's Recommendations

- (\$1,736,733) and (one) staff core reduction from the Fiscal Year 2002 appropriation level.
- (\$1,200,000) for one-time expenditures, including (\$1,000,000) general revenue.

DEPARTMENT OF ECONOMIC DEVELOPMENT

BUSINESS EXPANSION AND ATTRACTION

The Business Expansion and Attraction Group partners with communities and businesses to expand existing businesses and attract new business to Missouri. Success for this group is measured by increases in business investment in Missouri, in jobs available in Missouri, and in Missouri income. Assistance is offered through the following programs:

Business Attraction Program - On a world-wide basis, this group facilitates the identification and location of new industries and services into Missouri. Services may include presenting the state as a cost-effective and potentially profitable location for investment, working with local communities to offer a site or building to potential businesses, or providing other assistance to prospective companies.

Research and Development Program - Information is a valuable resource, particularly when attempting to attract and retain business in the state. The Research and Development Program provides a wide variety of research information, including trade publications, business directories, target industry research, business climates, wages by occupation, labor reports, etc.

Incentives Program - This program administers the business financing and tax credit programs available to businesses as encouragement to locate or expand their business in Missouri.

Business Promotion - The mission of the Business Promotion Program is to design a marketing plan to inform business decision makers about the advantages associated with locating or expanding in Missouri, and to develop strategies to keep existing Missouri businesses informed of incentives available to them for improvements and expansions.

Missouri Job Development Fund - The Missouri job development fund allows the state to provide training to new and expanding businesses. Funding is also used to retrain employees of existing businesses to prevent plant shutdowns by both direct training and increasing ability to leverage federal funds.

Missouri Community College New Jobs Training - Created by Sections 178.892-178.896, RSMo, the Missouri Community College New Jobs Training Program provides an incentive for the creation of new jobs by providing education and training of workers for new or expanding industries by community college districts.

Missouri Development Finance Board - The Missouri Development Finance Board administers a range of financing programs for Missouri businesses, local governments, and state agencies. The board issues industrial revenue bonds or notes, provides loan guarantees to fund capital expansion projects, provides market rate or low-interest loans and grants to political subdivisions and public infrastructure improvements, and grants tax credits against certain state income taxes in exchange for contributions made to the board. The majority of its activities revolves around financing the start-up or expansion of small- and medium-sized manufacturing companies in Missouri.

Fiscal Year 2003 Governor's Recommendations

- \$66,318 other funds transferred from Missouri Job Development grants for salaries.
- (\$5,458,420) and (14.50) staff core reduction from the Fiscal Year 2002 appropriation level.
- (\$81,188) and (two) staff transferred to the Division of Community Development and to Administrative Services.
- (\$200,000) for one-time expenditures.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
COMMUNITY DEVELOPMENT**

FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
Community Development Programs	\$ 38,972,240	\$ 44,965,673	\$ 42,895,017
Rural Development Grants	306,619	512,500	315,000
Missouri Rural Opportunities Council	72,578	189,220	115,362
Missouri Arts Council	5,952,961	7,372,342	5,396,079
Arts Council - Transfer	5,194,060	2,597,030	0
Humanities Council - Transfer	865,677	432,838	0
Main Street Program - Transfer	97,000	100,000	90,000
DIVISIONAL TOTAL	\$ 51,461,135	\$ 56,169,603	\$ 48,811,458
PERSONAL SERVICE			
General Revenue Fund	1,526,273	1,745,804	1,318,364
Federal Funds	825,670	963,947	975,366
EXPENSE AND EQUIPMENT			
General Revenue Fund	875,779	1,005,776	928,967
Federal Funds	526,130	537,888	863,523
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	13,267,688	14,031,660	7,740,203
Federal Funds	34,439,595	31,984,528	31,585,035
Department of Economic Development Administrative Fund	0	250,000	250,000
Youth Opportunities and Violence Prevention Fund	0	250,000	250,000
Property Reuse Fund	0	5,400,000	4,900,000
TOTAL	\$ 51,461,135	\$ 56,169,603	\$ 48,811,458
General Revenue Fund	15,669,740	16,783,240	9,987,534
Federal Funds	35,791,395	33,486,363	33,423,924
Department of Economic Development Administrative Fund	0	250,000	250,000
Youth Opportunities and Violence Prevention Fund	0	250,000	250,000
Property Reuse Fund	0	5,400,000	4,900,000
Full-time equivalent employees	69.74	77.75	63.25

DEPARTMENT OF ECONOMIC DEVELOPMENT

COMMUNITY DEVELOPMENT

The mission of the Community Development Group is to increase the capacity of communities and neighborhoods to utilize their resources to raise the economic performance of disadvantaged communities. Capacity is increased by encouraging communities to establish long-term community development programs, economic development programs, and public/private partnerships that improve, strengthen, and diversify local economies and communities. This capacity building entails leadership development, planning, volunteer development, alternative economic development activities, infrastructure improvement, youth development, and enabling local investments directly tied to the needs of the community for enhancing the quality of life and preparing communities for economic, sustainable growth.

COMMUNITY DEVELOPMENT PROGRAMS

Community development programs help communities expand their economic base and improve the quality of life. Grants are awarded to help revitalize communities. Tax credits are offered to help finance redevelopment costs. Youth crime prevention is promoted and regional offices assist all areas of the state.

Fiscal Year 2003 Governor's Recommendations

- \$53,151 and one staff transferred from the Division of Business Expansion and Attraction, including \$41,732 general revenue.
- (\$1,123,807) and (15.50) staff core reduction from the Fiscal Year 2002 appropriation level.
- (\$1,000,000) for one-time expenditures, including (\$500,000) general revenue.

RURAL DEVELOPMENT GRANTS

The Rural Development Program, which includes the Rural Development Council and rural development grants, provides technical assistance and grants to communities with populations below 15,000. The grants are for job creation and retention, business attraction, and resource recovery.

Fiscal Year 2003 Governor's Recommendations

- (\$197,500) core reduction from the Fiscal Year 2002 appropriation level.

MISSOURI RURAL OPPORTUNITIES COUNCIL

The Missouri Rural Opportunities Council (MoROC) is one of numerous state rural development councils comprising the National Rural Development Partnership. Currently over 500 representatives of federal, state, local, and tribal governments, as well as the private for-profit and not-for-profit sectors, are brought together by MoROC. This neutral forum is designed to define and frame Missouri's rural issues, examine resulting barriers to rural development statewide, and collaborate in removing the impediments to an improved quality of life for all of rural Missouri.

Fiscal Year 2003 Governor's Recommendations

- (\$73,858) federal funds for one-time expenditures.

DEPARTMENT OF ECONOMIC DEVELOPMENT

MISSOURI ARTS COUNCIL

The Missouri Arts Council (MAC) provides administrative support for the state art agency. As both a funding agency and a comptroller, MAC staff is charged with reviewing funding requests, allocating state and federal funds appropriated for arts programs, monitoring the expenditures of those funds, and providing technical and professional assistance to grantees.

A number of state programs provided by the MAC stimulate and support the arts, including program assistance awards. Statewide programs sponsored by MAC are: Community Arts, Touring Folk Arts, Artist-in-Residence, Visual Arts and Writer's Biennials, public information, and special initiatives. The Community Arts Program awards grants to help local arts councils present arts programs in non-metropolitan areas. The Touring Program provides technical and financial assistance to local arts organizations for tour dates that they book with Missouri visual and performing artists and arts groups. The Artist-in-Residence Program provides short- and long-term residencies for Missouri artists or ensembles in Missouri's elementary schools. Public information services include newsletters, workshops, and directories of community arts councils and artists. The Visual Arts and Writer's Biennials are two-year programs that alternately support, then exhibit, the work of selected Missouri artists. Program-assistance awards, which provide seed money, are made on a 50/50 matching basis to not-for-profit applicants throughout Missouri. Citizen advisory panels recommend the allocation basis for program-assistance dollars for each of the discipline areas (dance, music, etc.). Special initiatives, targeted projects initiated by MAC itself, include the African-American Cultural Initiative, arts education programs for Missouri public schools, and statewide conferences. The MAC also serves as an agent for a pass-through for the Missouri Humanities Council appropriation.

Fiscal Year 2003 Governor's Recommendations

- (\$1,976,263) core reduction from the Fiscal Year 2002 appropriation level.

ARTS COUNCIL TRANSFER

Section 143.183, RSMo, allows for the transfer of 60 percent of state income tax revenues for nonresident, professional athletes and entertainers to the Missouri arts council trust fund.

- (\$2,597,030) core reduction from the Fiscal Year 2002 appropriation level.

HUMANITIES COUNCIL TRANSFER

Section 143.183, RSMo, allows for the transfer of ten percent of state income tax revenues from nonresident, professional athletes and entertainers to the Missouri humanities council trust fund.

- (\$432,838) core reduction from the Fiscal Year 2002 appropriation level.

MAIN STREET PROGRAM TRANSFER

Sections 251.470-251.485, RSMo, allow for the general assembly to appropriate funds to the Missouri main street program fund.

- (\$10,000) core reduction from the Fiscal Year 2002 appropriation level.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
WORKFORCE DEVELOPMENT**

FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
Workforce Development Administration	\$ 19,543,559	\$ 22,768,223	\$ 22,918,586
Workforce Programs	43,812,403	77,450,000	77,450,000
Women's Council	136,053	164,707	153,827
Caring Communities	246,589	239,167	0
Special Employment Security Fund	55,818	216,000	216,000
DIVISIONAL TOTAL	\$ 63,794,422	\$ 100,838,097	\$ 100,738,413
PERSONAL SERVICE			
General Revenue Fund	126,000	153,046	153,046
Federal Funds	15,695,493	19,355,460	19,355,460
EXPENSE AND EQUIPMENT			
General Revenue Fund	62,400	93,180	65,996
Federal Funds	4,001,762	5,465,845	5,445,845
Special Employment Security Fund	55,818	216,000	216,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	80,025	72,500	0
Federal Funds	43,772,924	75,482,066	75,502,066
TOTAL	\$ 63,794,422	\$ 100,838,097	\$ 100,738,413
General Revenue Fund	268,425	318,726	219,042
Federal Funds	63,470,179	100,303,371	100,303,371
Special Employment Security Fund	55,818	216,000	216,000
Full-time equivalent employees	469.12	609.22	609.22

DEPARTMENT OF ECONOMIC DEVELOPMENT

WORKFORCE DEVELOPMENT

The Division of Workforce Development was created in Fiscal Year 2000 to provide more accessible services in a more efficient manner. This new division combines the operations of the former Division of Job Development and Training in the Department of Economic Development and the Job Service Program, Special Employment Security Fund, Employment and Training Payments, Retraining Payments, and Caring Communities from the Department of Labor and Industrial Relations. The Division of Workforce Development provides a well-balanced employment and training system, giving Missourians the opportunity to achieve their full career and employment potential through high quality programs. Missouri employers also benefit from a more competitive and better-trained workforce. The Job Service Program offers a network of services delivered in a customer-focused environment to help people find and retain employment. Services include provision of labor market information, career counseling, testing, and job readiness training. Job Service also assists employers in meeting their employment needs by referring qualified workers for job openings and providing information to help plan for future workforce needs.

WORKFORCE DEVELOPMENT ADMINISTRATION

Workforce Investment Act funds, along with federal Job Service Program funds, are administered by the Division of Workforce Development. These funds are targeted toward the economically disadvantaged, Temporary Assistance for Needy Families recipients, school dropouts, and dislocated workers.

Fiscal Year 2003 Governor's Recommendations

- \$166,667 federal funds reallocated from Caring Communities.
- (\$16,304) core reduction from the Fiscal Year 2002 appropriation level.

WORKFORCE PROGRAMS

The mission of the federal Workforce Investment Act Program is to serve Missourians by: providing training and employment opportunities; establishing a flexible, coordinated, and decentralized training system; and coordinating these programs with other employment and training-related programs. The employment and training programs offered on a statewide basis include: Workforce Investment Act programs, Trade Adjustment Assistance Program, North American Free Trade Agreement programs, Rapid Response Program, Worker Reentry Program, Worker Profiling, Veterans programs, Mandatory Employment and Training Program, Experienced Worker programs, and the Missouri Youth Service Conservation Corps. Individuals who meet eligibility requirements for the programs may access services to make them more competitive in the workforce. Historically, the Division of Workforce Development, along with local service delivery areas, have provided a full range of services authorized under the Workforce Investment Act which are designed to prepare individuals with barriers to employment for the workforce. Services include referral to job openings, job readiness skills training, referral to classroom or employer training, as well as payment of support services such as transportation. The Missouri Training and Employment Council provides direction to the Division of Workforce Development on policies and procedures to ensure that local service delivery area programs comply with Workforce Investment Act financial and program requirements.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

WOMEN'S COUNCIL

Through its meetings, staff support, and other activities, the Missouri Women's Council addresses the issues of expanding women's opportunities through education and training programs; occupational mobility in lower and middle employment levels; access to jobs with higher skill and managerial duties; small business opportunities; access to non-traditional skills through apprenticeships and vocational training; retraining programs and facilities for unemployed women, especially in growth sectors; federal or private funds and grants available for such employment and training programs; and studies, seminars, and conferences on related topics. The council also prepares an annual state needs assessment to identify problem geographic areas; establishes long- and short-term goal statements; inventories current federal, state, local, and private programs relating to women's economic needs; and prepares plans to address those problem areas.

Fiscal Year 2003 Governor's Recommendations

- (\$10,880) core reduction from the Fiscal Year 2002 appropriation level.

DEPARTMENT OF ECONOMIC DEVELOPMENT

WORKFORCE DEVELOPMENT (continued)

CARING COMMUNITIES PROGRAM

Caring Communities is an effort designed to deliver a wide array of human services in a locally-designed manner. Services such as employment, counseling, adult education, child care, health screenings, mental health, and other family and child-oriented services are delivered in a school-based or school-linked setting in an effort to make services more responsive to family needs. The program is being consolidated into the Department of Social Services in Fiscal Year 2003.

Fiscal Year 2003 Governor's Recommendations

- (\$166,667) federal funds reallocated to workforce development administration.
- (\$72,500) core reduction from the Fiscal Year 2002 appropriation level.

SPECIAL EMPLOYMENT SECURITY FUND

The special employment security fund is derived from interest and penalties collected under the provisions of the Missouri Employment Security Law. Expenditures from this fund are made in accordance with Section 288.310, RSMo, the Employment Security Law, which includes refunds of overcollected interest and penalties. The fund may also act as a revolving fund to cover allowable expenditures for which federal reimbursement is pending to acquire suitable office space for the division by purchase, lease, contract, or any other manner including purchase of land, erection of buildings, or assistance in financing the construction of any buildings for the division's use. Section 288.129, RSMo provides for federal interest payments on federal fund advances to the unemployment insurance trust fund.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

DIVISION OF TOURISM

The Division of Tourism promotes Missouri's tourist attractions with direct media campaigns, vacation guides, and public relations efforts. The Division of Tourism also operates six tourism information centers at key entry points throughout the state and a seventh located in the Truman State Office Building in Jefferson City. Beginning in Fiscal Year 1995, the division has been funded with a portion of the growth in tax revenues on tourism-oriented goods and services.

Fiscal Year 2003 Governor's Recommendations

- (\$5,265,085) core reduction from the Fiscal Year 2002 appropriation level.

AFFORDABLE HOUSING

The Missouri Housing Development Commission (MHDC) was established in 1969 by the 75th General Assembly to assist in the creation of housing for low- and moderate-income people of Missouri. Section 215.020, RSMo, states: "There is hereby created and established as a governmental instrumentality of the State of Missouri the 'Missouri Housing Development Commission' which shall constitute a body corporate and public."

MHDC generates multi-family rental production through a variety of funding sources including its own fund balances, the state's allocation of federal HOME funds, its authority to issue tax-exempt and taxable bonds, and state and federal housing tax credits. MHDC also offers single-family programs for qualified first-time homebuyers such as its Mortgage Revenue Bond Program which provides funds for mortgage loans at competitive interest rates and a Downpayment Assistance Program to assist in the purchase of a home. MHDC's affordable housing programs include Section 8 certificates and vouchers, HOME tenant-based assistance, MHDC's Rental Assistance Program, as well as several other rental assistance programs in partnership with the Department of Mental Health.

DEPARTMENT OF ECONOMIC DEVELOPMENT

AFFORDABLE HOUSING (continued)

The Manufactured Housing Department is housed within the Public Service Commission per Sections 700.010-700.115, RSMo. It annually registers manufacturers and dealers of manufactured homes and modular units; prescribes and enforces uniform construction standards for manufactured homes, modular units, and recreational vehicles manufactured and/or sold within the state; approves plans for modular units and recreational vehicles sold in the state; and enforces manufactured home tie-down requirements. There are 379 manufactured housing dealers and 13 modular unit dealers operating in Missouri.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

FINANCIAL INSTITUTION SAFETY AND SOUNDNESS

Division of Credit Unions - The Division of Credit Unions is statutorily responsible for the examination, supervision, and regulation of all state-chartered credit unions to determine the financial condition and management practices of each credit union and to correct unsound practices or violations of law or regulation.

Division of Finance - The Division of Finance has regulatory oversight authority of activities involving state-chartered banks and trust companies. The division also is responsible for licensing and regulating small loan offices, motor vehicle offices, financial institution offices, companies engaged exclusively in second mortgage lending, premium finance companies, and companies selling money orders. Beginning in Fiscal Year 1995, the division took over the responsibilities of the former Division of Savings and Loan. The division now has regulatory oversight authority over savings and loan associations and registers mortgage loan brokers.

Fiscal Year 2003 Governor's Recommendations

- \$22,389 other funds for increased costs of the Credit Union Commission
- (\$70,472) other funds and (one) staff core reduction from the Fiscal Year 2002 appropriation level.

MOTOR CARRIER AND RAILROAD SAFETY

The Division of Motor Carrier and Railroad Safety includes seven sections: office of the director; administrative law judges; enforcement; railroad safety; registration, audits, and research; general counsel's office; and support services. Primary duties include issuance of property carrier registrations, certificates, and permits of operating authority to transportation companies; enforcement of statutory insurance and safety requirements; and monitoring railroad safety. Two administrative law judges serving staggered, six-year terms individually exercise quasi-judicial authority in transportation cases. Due to the Federal Aviation Administration Authorization Act of 1994, beginning January 1, 1995, the division regulates the prices, routes, or services of motor carriers of household goods and passengers. The division's name changed from the Division of Transportation to the Division of Motor Carrier and Railroad Safety with the passage of HB 991 (1996) and SB 780 (1996).

Fiscal Year 2003 Governor's Recommendations

- (\$134,649) other funds and (three) staff core reduction from the Fiscal Year 2002 appropriation level.
- (\$23,637) other funds for one-time expenditures.

DEPARTMENT OF ECONOMIC DEVELOPMENT

UTILITY REGULATION

Office of Public Counsel - The Office of the Public Counsel is involved in the legal, accounting, financial, and economic aspects of utility ratemaking and regulation. Lawyers and technical staff analyze utility rate increase requests to advocate consumer rights in testimony and cross-examination in hearings held before the Public Service Commission.

Public Service Commission - The Public Service Commission regulates the rates, finances, safety, and quality of service of private, investor-owned telephone, gas, electric, water and sewer utilities, and the safety of rural electric cooperatives and municipally-owned gas systems. The commission is divided into four sections: executive, administration, general counsel, and utility.

The executive section is responsible for certain legal and administrative activities supporting the commission's statutory responsibilities, including hearing cases and issuing reports and orders. In addition, policy planning and analysis functions are conducted by the executive section to promote more active participation in federal proceedings and to provide technical assistance to the commission.

The administration division is responsible for internal operational functions related to purchasing, monitoring expenditures, preparing annual assessments of regulated utility companies, personnel and staff services, and manufactured housing. The administration division also files all commission administrative rules with the Secretary of State, reports official hearings, files and distributes all commission orders, and inspects dealer lots and manufacturing facilities of mobile homes to ensure compliance with federal standards and state law.

The general counsel assists the commission through preparation and presentation of expert staff testimony and exhibits, cross-examination in administrative hearings held before the commission, and representation of the commission in court cases involving appeals. The general counsel represents the commission in all proceedings before the Federal Energy Regulatory Commission, the Federal Communications Commission, and the Nuclear Regulatory Commission. The general counsel also drafts rules and procedures of the commission and commission-sponsored legislation.

The utility section consists of two divisions: utility services and utility operations. The utility services section advises and testifies before the commission on rate cases, performs field compliance audits, performs financial analysis, and is responsible for accounting and handling consumer complaints. The utility operations section provides analyses on utility construction, operation, safety, capacity expansion, tariff review, and rate design for electric, gas, water and sewer, and telecommunications utilities.

Fiscal Year 2003 Governor's Recommendations

- \$930,135 other funds and 16 staff to provide core funding for the Office of Public Counsel.
- Two staff for diversity initiative.
- (\$930,135) and (16) staff core reduction from the Fiscal Year 2002 appropriation level.
- (\$50,700) other funds for one-time expenditures.

**DEPARTMENT OF ECONOMIC DEVELOPMENT
PROFESSIONAL REGISTRATION**

FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	GOVERNOR RECOMMENDS FY 2003
Administration	\$ 4,203,013	\$ 4,709,136	\$ 5,465,368
State Board of Accountancy	334,200	426,684	426,684
State Board of Architects, Engineers, and Land Surveyors	652,839	783,977	825,087
State Board of Barber Examiners	34,037	38,271	38,271
State Board of Chiropractic Examiners	99,056	151,052	151,052
State Board of Cosmetology	175,404	307,893	259,418
Missouri Dental Board	472,084	580,570	587,452
State Board of Embalmers and Funeral Directors	97,846	149,634	149,634
State Board of Registration for the Healing Arts	2,046,797	2,461,516	2,461,516
State Board of Nursing	1,482,348	1,812,988	1,812,988
State Board of Optometry	24,617	42,604	42,604
State Board of Pharmacy	806,849	739,674	814,467
State Board of Podiatric Medicine	8,357	21,681	21,681
Missouri Real Estate Commission	866,085	1,111,418	1,111,418
Missouri Veterinary Medical Board	59,958	111,096	111,096
DIVISIONAL TOTAL	\$ 11,363,490	\$ 13,448,194	\$ 14,278,736
PERSONAL SERVICE			
Board Funds	3,974,921	4,522,797	4,705,475
Professional Registration Fees Fund	2,602,056	2,837,932	2,885,143
EXPENSE AND EQUIPMENT			
Board Funds	3,185,556	4,214,161	4,107,893
Professional Registration Fees Fund	1,523,314	1,836,204	2,545,225
PROGRAM SPECIFIC DISTRIBUTION			
Board Funds	0	2,100	0
Professional Registration Fees Fund	77,643	35,000	35,000
TOTAL	\$ 11,363,490	\$ 13,448,194	\$ 14,278,736
Board Funds	7,160,477	8,739,058	8,813,368
Professional Registration Fees Fund	4,203,013	4,709,136	5,465,368
Full-time equivalent employees	211.06	222.60	229.60

The Division of Professional Registration provides support services to 32 licensing agencies through various boards, commissions, committees, offices, and councils. Each conducts professional examinations, licenses qualified individuals, promotes legislation, publishes rules and regulations, and investigates complaints of misconduct of licensed members.

Fiscal Year 2003 Governor's Recommendations

ADMINISTRATION

- \$675,000 other funds for an on-line registration renewal system.
- \$74,376 other funds and 1.50 staff to implement HB 567 (2001) related to licensure of social workers.
- \$10,000 other funds for per diem reimbursement for board members not now receiving compensation.
- (\$3,144) other funds transferred to the Board of Architects, Professional Engineers, and Land Surveyors.

STATE BOARD OF ACCOUNTANCY

Continue funding at the current level.

DEPARTMENT OF ECONOMIC DEVELOPMENT

PROFESSIONAL REGISTRATION (continued)

STATE BOARD OF ARCHITECTS, PROFESSIONAL ENGINEERS, AND LAND SURVEYORS

- \$37,966 other funds and one staff to establish the landscape architectural division per HB 567 (2001).
- \$3,144 other funds transferred from administration per HB 567 (2001).

STATE BOARD OF BARBER EXAMINERS

Continue funding at the current level.

STATE BOARD OF CHIROPRACTIC EXAMINERS

Continue funding at the current level.

STATE BOARD OF COSMETOLOGY

- (\$48,475) other funds core reduction from the Fiscal Year 2002 appropriation level.

MISSOURI DENTAL BOARD

- \$20,382 other funds and .50 staff to establish licensure of dental hygienists per HB 567 (2001).
- (\$13,500) other funds for one-time expenditures.

STATE BOARD OF EMBALMERS AND FUNERAL DIRECTORS

Continue funding at the current level.

STATE BOARD OF REGISTRATION FOR THE HEALING ARTS

Continue funding at the current level.

STATE BOARD OF NURSING

- Three staff for investigations.

STATE BOARD OF OPTOMETRY

Continue funding at the current level.

STATE BOARD OF PHARMACY

- \$74,793 other funds and one staff to increase pharmacy inspections.

STATE BOARD OF PODIATRIC MEDICINE

Continue funding at the current level.

DEPARTMENT OF ECONOMIC DEVELOPMENT

PROFESSIONAL REGISTRATION (continued)

MISSOURI REAL ESTATE COMMISSION

Continue funding at the current level.

MISSOURI VETERINARY MEDICAL BOARD

Continue funding at the current level.

ADMINISTRATIVE SERVICES

Administrative Services coordinates the common activities of encouraging economic development. It also protects and promotes the interests of Missouri citizens, provides support services to the agencies, and monitors fund accountability and program activities.

Fiscal Year 2003 Governor's Recommendations

- \$39,456 and one staff transferred from Business Expansion and Attraction.
- (\$715,272) and (ten) staff core reduction from the Fiscal Year 2002 appropriation level.
- (\$11,419) federal funds transferred to Community Development.

 [Budget & Planning Home Page](#)

 [Table of Contents](#)